

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 7902

BILL NUMBER: HB 1990

DATE PREPARED: Feb 6, 2001

BILL AMENDED:

SUBJECT: Centers for Independent Living.

FISCAL ANALYST: Kathy Norris

PHONE NUMBER: 234-1360

FUNDS AFFECTED: X

**GENERAL
DEDICATED
FEDERAL**

IMPACT: State

STATE IMPACT	FY 2001	FY 2002	FY 2003
State Revenues			
State Expenditures		550,000	550,000
Net Increase (Decrease)		(550,000)	(550,000)

Summary of Legislation: This bill provides that the Division of Disability, Aging, and Rehabilitative Services shall annually provide a grant to the Indiana Council on Independent Living to establish and maintain two full-time employment positions for the Council. The bill requires the Indiana Council on Independent Living to hire a professional strategic planning consultant, who is approved by the Office of the Secretary of Family and Social Services, to assist the Council to prepare a long term strategic plan to help direct the future growth of independent living in Indiana. The bill also appropriates \$550,000 to the Division of Disability, Aging, and Rehabilitative Services in each year of the biennium beginning July 1, 2001, for certain purposes concerning independent living.

Effective Date: July 1, 2001.

Explanation of State Expenditures: This bill appropriates \$550,000 annually for the Division of Disability, Aging, and Rehabilitative Services to provide funding for independent living services and to make grants to the Indiana Council on Independent Living (Council). The required use of funds is estimated to be \$554,864 in FY 2002 and \$555,350 in FY 2003 as outlined below.

The bill requires the Division to use the funds appropriated in the bill for the following purposes:

- 1) to support the activities of the Indiana Council on Independent Living,
- 2) to provide matching funds for federal Part B of Title VII of the Rehabilitation Act,

- 3) to fund scheduled funding increases (identified in the Council's 3-year State Plan) for State-funded Centers for Independent Living in existence on July 1, 2001,
- 4) to fund increases in the base funding levels for State-funded Centers for Independent Living in existence July 1, 2001, and
- 5) to provide money for the grant for staff for the Council.

1) Support the activities of the Indiana Council on Independent Living: The current operating budget for the Council is approximately \$76,200. This funding includes about \$8,000 for staff support for the Council charged by the Division. The Division staff support would no longer be necessary under the provisions of the bill so the Division may reallocate the use of this staff support to other purposes.

2) Matching Funds for Federal Part B Independent Living funds: Under Part B 10% state funds are matched with 90% Federal dollars. Part B services for Independent Living include four core services: Information and Referral, Peer Counseling and Cross-Disability Counseling, Independent Living Skills Training, and Community Advocacy. The FY 2001 State appropriation for Part B is \$22,222. Currently, five Independent Living Centers in the state are providing \$13,655 of in-kind match or local dollars to draw down additional Part B funds. The total maximum state match that will draw down the available 90% federal match is \$91,534; so \$69,312 in additional state funds would be necessary to draw down an additional \$623,800 in federal funds. The additional state funding would eliminate the need for the local in-kind or cash match.

3) Scheduled funding increases for Centers in existence on July 1, 2001: The current three-year State plan for Independent Living calls for existing Centers to receive cost of living increases equal to those given in the federal Centers for Independent Living funding. This increase has been reported to be 2% annually. At the current funding levels, this provision would require \$41,646 of State General Funds (\$20,614 in FY 2002 and \$21,032 in FY 2003). State funds are necessary to totally fund this provision due to the declining federal funds available in the program.

4) Increases in Base Funding Levels: The State Plan for Independent Living establishes new Centers at a base funding level of \$150,000. New Centers are then scheduled to receive annual increases of \$50,000 each year for two years, phasing the new Centers into the base funding level for existing Centers. Since no federal funds are available to provide funding for these base increases included in the plan, 100% State General Funds are necessary to pay for this provision. By July 1, 2001, there will be three new centers eligible for the annual base increases. \$300,000 will be necessary to fund these increases over the biennium; \$150,000 annually. If these increases are funded, another \$6,060 in General Fund dollars would be necessary to fund the cost of living increases described in #3 above.

5) Grant for the Council to hire independent Staff: The bill requires the Division to annually provide a grant to the Council for two independent staff members who are not State employees. The grant must provide enough funding to pay for the salaries, fringe benefits, office expenses, and indirect expenses of the Council's employees. While the bill specifies that the two Staff members are not to be state employees, the State Job Classification matrix is used here to estimate the cost of this provision. The additional staff costs are estimated to be \$94,000 for each of FY 2002 and FY 2003.

It is assumed that office space for the Council's staff will be located within State office space allocated to the Division of Disability, Aging, and Rehabilitative Services. If the staff is housed in outside office space additional funds will be required.

The bill also requires the Council on Independent Living to hire a strategic planning consultant as approved

by the Office of the Secretary of the Family and Social Services Administration. The consultant is to assist the Council to prepare a long-term plan to direct the future growth of Independent Living Services in Indiana. The Council has estimated the cost of the plan required in the bill to be \$76,000.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Family and Social Services Administration, Division of Disability, Aging, and Rehabilitative Services.

Local Agencies Affected:

Information Sources: Nancy Zemaitis, Division of Disability, Aging, and Rehabilitative Services, (317) 232-1367.